Testimony By Mr. Jim Cornell

House Inspector General

Chairman Ehlers, Ranking
Member Millender-McDonald and Members of the Committee, I am both pleased and
honored to appear before you today in my capacity as the Inspector General of
the House. First, I would like to commend the Committee for the work that
has been initiated to increase the awareness of the House's need for a
comprehensive strategic Information Technology (IT) planning process.
Based on our prior audit work, our knowledge of industry best practices and our
participation in the various round table discussions conducted as part of the
Gartner study, we support the Gartner Information Technology Assessment
methodology and concur with the reported findings and recommendations. We
believe the House would be well-served in considering the vision set forth in
these reports and adopting the related recommendations to achieve that vision.
If fully implemented, they would also address prior Office of Inspector General
(OIG) audit recommendations in this area.

Prior Audit Work. Since 1995, the House OIG has
conducted five audits related to strategic IT planning. In an
increasingly digital world, how well organizations plan their long-range
(strategic) and short-range (tactical) goals and objectives affects their
ability to successfully manage information, information systems, and
communications. Consequently, a long-range IT vision is a critical
management tool for establishing an organization-wide, cost effective process
for procuring and maintaining IT resources that enable the organization's
overall business goals. While the House has made improvements to become
more fully integrated, such as merging its previous eleven separate e-mail
systems into one integrated system, the House still lacks a House-wide
strategic IT plan. In our most recent report related to this topic issued
in June 2002, we stated that the House did not have a plan to project its
technology needs or to develop an effective technology strategy. We found
that in the absence of a House-wide plan, the Chief Administrative Officer
(CAO), with the support of the Committee on House Administration (CHA),
initiated strategic IT planning to identify critical House administrative IT
support needs and plan the acquisition of infrastructure assets to support
those needs. Although the CAO initiated efforts to include other House
offices in a House-wide strategic planning effort, the CAO lacked the authority
to make House-wide IT investment decisions. For long-range planning to be
effective, planners need clear direction from those in authority and
participation from stakeholders, as well as the necessary mandate to formulate
plans. Our report concluded that, without a mandate, the House would
never have an entity-wide strategic IT plan that would serve the interests of
the entire House. Further, the House would continue to incur increased,
unnecessary costs for its information technology resources because it would be
required to support multiple platforms, maintain overlapping technologies and
technical expertise, and would not benefit from economies of scale experienced
by organizations similar in size. We provided three options for
consideration: (1) appoint a House-level, non-partisan Chief Information
Officer; (2) create a House-level IT steering committee, or (3) delegate
centralized IT planning and management authority to an existing House
officer. The Gartner report points toward a steering committee approach
built around key stakeholders and decision-makers. We concur with this

approach and believe it meets the intention of our previously reported recommendations.

OIG's assurance role. As with past House-wide deployment efforts, the OIG stands ready to provide assurance that the strategic IT planning process is designed, implemented, and sustained with the appropriate controls to ensure confidentiality and security for all House stakeholders and to mitigate overall risk to the House. For example, during the early design stages of the House-wide deployment of Active Directory, the OIG played a critical role in evaluating and testing the Active Directory forest design and related alert system to ensure the confidentiality and security of House stakeholder data. Now that the centralized Active Directory forest has been fully implemented, the OIG continues to play a critical role by receiving and analyzing alerts related to enterprise administrator activity to ensure all enterprise administrator activity is authorized and appropriate. The OIG would continue to provide this type of assurance in the deployment of a House-wide plan to ensure integrity and equity in the process.

Industry Best Practices. The Sarbanes-Oxley Act and the expanding role of technology have brought to the forefront of public discourse the fiduciary duty that organizations have to their stakeholders to practice IT governance. The IT Governance Institute, internationally recognized for setting standards and performing research in information systems security and assurance, developed the Control Objectives for Information and related Technology (COBIT®) as a framework for assessing, managing, and optimizing IT investments. COBIT consists of linking business goals to IT goals, providing metrics and maturity models to measure their achievement, and identifying the associated responsibilities of business and IT process owners. COBIT identifies strategic alignment of IT resources with the organizational business strategy as one of the five cornerstones of IT governance. Strategic IT planning is a critical component in achieving this alignment. When properly done, a plan of this type provides control over the IT process while being transparent about benefits, costs, and risks of IT investment decisions. This can be achieved by engaging stakeholders in aligning IT strategic planning with current and future organizational needs, understanding current IT capabilities, and providing for a prioritization scheme for the business objectives that quantifies the business requirements. The Gartner reports focus on the need for creating a vehicle (i.e. a centralized decision-making authority) for setting the strategic vision and carrying out the IT planning process. Since the lack of a centralized decision-making authority is the foremost obstacle to strategic technology planning at the House, we agree that their efforts were well-placed in focusing on this topic. Once this initial decision-making vehicle is in place, we would recommend that the House consider the remaining areas (i.e., value delivery, resource management, risk management, and performance measurement) identified in COBIT to achieve the full intent and benefit of IT governance.

Where is the rest of the government? The importance of an effective IT strategy was also recognized by Congress in the mid-nineties. The Paperwork Reduction Act of 1995 and the Clinger-Cohen Act of 1996 require a better linking of IT planning and investment decisions to program missions and goals. Goals are supposed to address how IT contributes to program productivity, efficiency, effectiveness, and service delivery to the public. Leading organizations define specific goals and objectives and describe how IT outputs impact operational customer and agency program requirements. Additional requirements of these two Acts are to develop and implement a sound IT architecture and to develop and maintain a strategic Information Resource Management (IRM) plan that describes how IRM activities help accomplish the mission.

In its January 2004 report on Information Technology Management, the Government Accountability Office (GAO) stated that only by effectively and efficiently managing IT resources through a robust investment management process can an agency gain opportunities to make better allocation decisions among many investment alternatives and further leverage investments. GAO's experience has shown that attempts to modernize IT environments without a model showing current operations, desired future operations, and a plan for migration often result in unconstrained investment and systems that are duplicative and ineffective. GAO stated that if IT investments are not managed effectively, it can result in wasteful spending and lost opportunities for improving delivery of services to the public. Executive Branch agencies are at various stages of implementation, many having both noteworthy accomplishments and remaining challenges. While we are not endorsing the approach used by any one specific agency, the House should adopt some variation of House-wide IT governance that builds upon lessons learned and incorporates industry best practices.

What are the Potential Costs of Not Implementing a House-wide Strategic IT Plan? Without coordinated strategic planning, technology investments are less likely to assure interoperability and scalability of systems across the House infrastructure. Industry case studies have repeatedly shown the costs of decentralized IT management or a lack of organizational strategic IT management. Increased risk of business failure and adverse publicity have been linked to poor planning of major enterprise initiatives. Losses of significant dollars due to duplication, waste and project cancellations, as well as decreased stakeholder confidence in the organization, are consequences of poor strategic IT management. Non-streamlined operations and disjointed, incomplete information can cause a lack of responsiveness to customers and changing business conditions and unduly complicate the ability to secure our House technology infrastructure. Further, our current decentralized model limits the ability of House stakeholders' to reap the financial benefits from economies of scale experienced by other large organizations. Lastly, needless waste of scarce resources can result from spending on projects of low or no value to the

entire organization. In contrast, centralizing IT management would provide Members with improved and timelier access to information, which would better enable them to produce quality legislation and enhance their ability to make informed decisions.

Mr. Chairman, Ranking Member and Members of the Committee thank you again for providing me with the opportunity to share my thoughts with you today and for your interest and leadership in developing an IT strategic vision for the House.